

LSU SHREVEPORT ALUMNI ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2013 and 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 04 2013

LSU Shreveport Alumni Association
Shreveport, Louisiana

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Independent Auditors' Report

To the Board of Directors
LSU Shreveport Alumni Association
Shreveport, Louisiana

We have audited the accompanying financial statements of LSU Shreveport Alumni Association (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

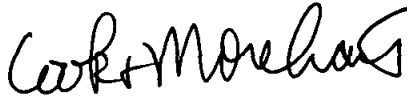
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LSU Shreveport Alumni Association as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
October 18, 2013

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statements of Financial Position
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 127,384	\$ 62,650
Inventory	55	130
Prepaid expenses	1,972	1,878
Total current assets	<u>129,411</u>	<u>64,658</u>
Fixed assets		
Furniture and fixtures	2,810	2,810
Less accumulated depreciation	<u>(2,810)</u>	<u>(2,810)</u>
Total net fixed assets	<u> </u>	<u> </u>
 Total Assets	 <u><u>\$ 129,411</u></u>	 <u><u>\$ 64,658</u></u>
 Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 14,643	\$ 15,175
Total current liabilities	<u>14,643</u>	<u>15,175</u>
Net assets		
Unrestricted	109,652	47,187
Temporarily restricted	5,116	2,296
Total net assets	<u>114,768</u>	<u>49,483</u>
 Total Liabilities and Net Assets	 <u><u>\$ 129,411</u></u>	 <u><u>\$ 64,658</u></u>

The accompanying notes are an integral part of the financial statements

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other Support			
Public support			
Donations	\$ 53,320	\$ 2,820	\$ 56,140
Special events and fund raising	56,695		56,695
Special events - inkind donations	13,085		13,085
Total public support	<u>123,100</u>	<u>2,820</u>	<u>125,920</u>
Other revenue			
Membership dues	3,270		3,270
	<u> </u>	<u> </u>	<u> </u>
Total revenues and other support	<u>126,370</u>	<u>2,820</u>	<u>129,190</u>
Expenses			
Program services - scholarships and donations	9,115		9,115
Special events and fund raising	23,059		23,059
General and administrative			
Advertising	1,684		1,684
Software maintenance	2,273		2,273
Subscriptions and memberships	330		330
Postage and mailing	311		311
Miscellaneous	4,732		4,732
Food and beverages for receptions and board meetings	4,874		4,874
Supplies	6,187		6,187
Professional fees	5,400		5,400
Rental	780		780
Student worker	5,160		5,160
Total general and administrative	<u>31,731</u>	<u> </u>	<u>31,731</u>
Total expenses	<u>63,905</u>	<u> </u>	<u>63,905</u>
Change in net assets	62,465	2,820	65,285
Net assets as of beginning of year	<u>47,187</u>	<u>2,296</u>	<u>49,483</u>
Net assets as of end of year	<u>\$ 109,652</u>	<u>\$ 5,116</u>	<u>\$ 114,768</u>

The accompanying notes are an integral part of the financial statements

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statement of Activities
For the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Public support			
Special events and fund raising	\$ 59,948		\$ 59,948
Special events - inkind donations	14,480		14,480
Total public support	<u>74,428</u>		<u>74,428</u>
Other revenue			
Membership dues	4,565		4,565
Miscellaneous income	606		606
Total other revenue	<u>5,171</u>		<u>5,171</u>
Net assets released from restrictions			
Restrictions satisfied by expending funds for the purpose intended	<u>1,437</u>	<u>(1,437)</u>	
Total revenues and other support	<u>81,036</u>	<u>(1,437)</u>	<u>79,599</u>
Expenses			
Program services - scholarships	6,277		6,277
Special events and fund raising	34,315		34,315
General and administrative			
Advertising	743		743
Printing	1,564		1,564
Software maintenance	2,199		2,199
Subscriptions and memberships	330		330
Postage and mailing	677		677
Miscellaneous	6,572		6,572
Food and beverages for receptions and board meetings	6,279		6,279
Supplies	4,703		4,703
Professional fees	5,400		5,400
Public relations	8,015		8,015
Rental	780		780
Total general and administrative	<u>37,262</u>		<u>37,262</u>
Total expenses	<u>77,854</u>		<u>77,854</u>
Change in net assets	3,182	(1,437)	1,745
Net assets as of beginning of year	<u>44,005</u>	<u>3,733</u>	<u>47,738</u>
Net assets as of end of year	<u>\$ 47,187</u>	<u>\$ 2,296</u>	<u>\$ 49,483</u>

The accompanying notes are an integral part of the financial statements

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Activities		
Change in net assets	\$ 65,285	\$ 1,745
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
(Increase) decrease in operating assets		
Inventory	75	256
Prepaid expenses	(94)	(55)
Increase (decrease) in operating liabilities		
Accounts payable	<u>(532)</u>	<u>12,740</u>
Net cash provided by (used in) operating activities	<u>64,734</u>	<u>14,686</u>
Cash and cash equivalents as of beginning of year	<u>62,650</u>	<u>47,964</u>
Cash and cash equivalents as of end of year	<u><u>\$ 127,384</u></u>	<u><u>\$ 62,650</u></u>

The accompanying notes are an integral part of the financial statements

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2013 and 2012

(1) Summary of Significant Accounting Policies

A Nature of Activities

LSU Shreveport Alumni Association ("Association") is a 501(c)3 nonprofit organization incorporated under the laws of the State of Louisiana. The Association supports the mission of Louisiana State University in Shreveport ("LSUS"). The Association provides funds for scholarships, helps promote enrollment, supports the continuation and expansion of programs at LSUS, and encourages community involvement through financial contributions and cooperative events with community and civic organizations.

A description of the Association's programs are as follows:

Membership Drive – Conducted annually, to encourage those qualified to join or renew membership in the Association.

Annual Golf Classic – A golf tournament is held annually as part of the Association's fund raising efforts. Proceeds are used for scholarships, programs, projects and services that benefit LSUS.

RiverBend Revue Silent Auction – Silent auction held as part of fund raising efforts. Proceeds are used for programs, projects, services and scholarships that benefit LSUS.

Scholarships – The Association provides funds to the LSU in Shreveport Foundation, Inc. to provide for scholarships for eligible students.

B Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C Basis of Presentation

Financial statement presentation follows the requirements of Statement of Financial Accounting Standards. Under those standards, the Association is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Association, and/or by the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes. There were no permanently restricted net assets of the Association as of June 30, 2013 and 2012.

(Continued)

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2013 and 2012
(Continued)

D Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

E Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and short term highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

F Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Association has established a capitalization policy of \$500 per unit. Minor additions and renewals are expensed in the year incurred. The estimated useful life of the assets being depreciated is as follows:

Furniture and fixtures – 5 years

G Revenue and Support

Donations and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

H Income Tax Status

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. The Association had no such income during this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2010, 2011, 2012, and 2013 are subject to examination by the IRS, generally three years after they were filed.

(Continued)

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2013 and 2012
(Continued)

I In-Kind Donations

The Association receives in-kind donations of noncash items as part of the fund raising activities. The estimated fair value of these donated items have been recorded as special events in-kind donations revenue and included in special events and fund raising expense. In-kind donations for the years ended June 30, 2013 and 2012 were \$13,085 and \$14,480 respectively.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentration of credit risk consist principally of cash. The Association maintains cash balances at a local financial institution. The account at that institution is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no uninsured balances at that institution at June 30, 2013 and 2012.

(3) Subsequent Events

Subsequent events have been evaluated through October 18, 2013, the date the financial statements were available to be issued.

(4) Designation of Unrestricted Net Assets

The Board of Directors of the Association designated \$58,116 and \$6,277 of unrestricted net assets at June 30, 2013 and 2012 respectively, for student recruitment purposes.

(5) Temporarily Restricted Net Assets

Amounts shown as temporarily restricted net assets at June 30, 2013 and 2012 represents amounts received for scholarships and other activities but not expended by the Association.

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The Board of Directors
LSU Shreveport Alumni Association
Shreveport, Louisiana

The Board of Supervisors
Louisiana State University System
Baton Rouge, Louisiana

Independent Accountants' Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by management of the LSU Shreveport Alumni Association solely to assist you in evaluating management's assertion that they complied with the regulations set forth in the July 1, 2009, Uniform Affiliation Agreement with Louisiana State University related to expenditures for the fiscal year ended June 30, 2013. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

- 1 Determine that the Affiliate maintains a written policy regarding the handling and resolution of audit findings, audit exceptions, and any misuse of funds, and that a copy of this policy has been provided to the University.

We obtained the written policy maintained by the LSU Shreveport Alumni Association's management regarding the handling and resolution of audit findings, audit exceptions, and any misuse of funds. We inquired of Dianne Howell, Executive Director of the LSU Shreveport Alumni Association, who represented that a copy of this policy was provided to the University.

- 2 Determine that the governing board of the Affiliate has established and implemented policies governing all disbursements for administrative and operating expenses. Determine that the policies provided for sound and prudent business practices, the payment or reimbursement of ordinary, necessary and reasonable business expenses, and the avoidance of conflicts-of-interests. Determine that generally, adherence to these policies provides reasonable assurance of compliance with the Uniform Affiliation Agreement.

We obtained the policies established by the governing board of the LSU Shreveport Alumni Association governing all disbursements for administrative and operating expenses. Based on our review of the policies as compared to the Uniform Affiliation Agreement, the policies appear to provide for sound prudent business practices, the payment or reimbursement of ordinary, necessary and reasonable business expenses, and the avoidance of conflicts-of-interest. Adherence to these policies, generally, should provide reasonable assurance of compliance with the Uniform Affiliation Agreement.

- 3 Determine that the governing board of the Affiliate has adopted and maintained a policy regulating conflicts of interest Determine that generally adherence to the policy provides reasonable assurance of compliance with the Uniform Affiliation Agreement

We obtained the written Conflict of Interest Policy which was adopted by the governing board of the Affiliate We also determined that the policy provided reasonable assurance of compliance with the Uniform Affiliation Agreement

- 4 Determine that any onerous donations are accepted in accordance with the Uniform Affiliation Agreement

All donations were accepted in accordance with the Uniform Affiliation Agreement

- 5 Determine that purchasing any immovable property is in accordance with the Uniform Affiliation Agreement

No immovable property was purchased

- 6 Determine that selling, donating, or otherwise transferring any immovable property is in accordance with the Uniform Affiliation Agreement

There was no selling, donating, or transferring of any immovable property

- 7 Determine that leasing any property, facility, or portion of a facility is in accordance with the Uniform Affiliation Agreement

No property, facility, or portion of a facility was leased

- 8 Determine that the creating of a legal entity as a subsidiary or component of the Affiliate is in accordance with the Uniform Affiliation Agreement

No legal entity was created by the Affiliate

- 9 Determine that entering into any cooperative endeavor or similar agreement is in accordance with the Uniform Affiliation Agreement

The Affiliate did not enter into any cooperative endeavor or similar agreement

- 10 Determine that any supplemental compensation or benefits for any University employee are in accordance with the Uniform Affiliation Agreement

No supplemental compensation or benefits were paid for any University employee

- 11 Provide reasonable assurance that the following is in accordance with the Uniform Affiliation Agreement

a All payments made to or on behalf of University employees for travel, moving, relocation, entertainment, educational benefits, and other reimbursements have been approved by the employee's dean, vice chancellor, or other equivalent administrative official

b All payments for moving and relocation expenses of University employees covered by PM 69

c There have been no payments made for expenses that are solely for the private benefit of a University employee (or the family or spouse of a university employee or other non-employee who is on University business) except as provided for in subsections 6 3 7 and 6 6 of the Uniform Affiliation Agreement

d No fines, forfeitures or penalties of University employees have been paid

e No gifts represented to be personally from a University employee in his or her personal capacity

- f No political contributions which are prohibited by federal or state law or regulations
- g No payments have been made for any expense or reimbursement which would create, under all the circumstances, a reasonable conclusion on behalf of the Affiliate that the amount is extravagant or lavish beyond the appropriate University purpose
- h No funds have been disbursed in connection with contracts (or other agreements) between the Affiliate and a University employee unless justified in accordance with the Uniform Affiliation Agreement

We obtained the LSU Shreveport Alumni Association's check register for the period from July 1, 2012 through June 30, 2013. We randomly selected a sample of 34 expenditures and reviewed the supporting documentation for the selected expenditures to observe whether the expenditures were allowed and in accordance with the Uniform Affiliation Agreement. Adherence to this agreement is the responsibility of LSU Shreveport Alumni Association's management. Management of the LSU Shreveport Alumni Association has represented that the existence of the supporting documentation represents their evidence of the compliance with the agreement.

The expenditures tested appeared to be in compliance with the Uniform Affiliation Agreement governing all disbursements for administrative and operating expenses.

We obtained the written representation from Hardy D. Foreman, President of the LSU Shreveport Alumni Association Board of Directors, that the LSU Shreveport Alumni Association was in substantial compliance for the fiscal year 2012-13. (See Attachment A)

- 12 Determine that any "Managing Affiliate" agreements are in accordance with the Uniform Affiliation Agreement.

All "Managing Affiliate" agreements are in accordance with the Uniform Affiliation Agreement.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the board of directors of the LSU Shreveport Alumni Association and management and the board of supervisors of the Louisiana State University System, and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
October 18, 2013



HOME OF THE
PILOTS GOLF CLASSIC

RIVERBEND REVUE
SILENT AUCTION

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Attachment A

October 18, 2013

Re: Statement of Compliance

LSU in Shreveport Alumni Association goes on record as being in compliance for the fiscal year July 1, 2012 to June 30, 2013 with the Uniform Affiliation Agreement, with an effective date of July 1, 2009, entered into between the Board of Supervisor's of Louisiana State University Agricultural & Mechanical College and Louisiana State University in Shreveport Alumni Association.

Hardy D. Foreman, CPA
President, Board of Directors
Louisiana State University in Shreveport Alumni Association